

FRACTIONAL CURRENCY COLLECTORS BOARD  
c/o M.R. FRIEDBERG  
2537 CLAVER ROAD  
CLEVELAND, OHIO 44118

AUGUST 15, 1986

FELLOW FCCB MEMBERS,

THIS IS THE SECOND NEWSLETTER OF THE CURRENT MEMBERSHIP YEAR, AND HOPEFULLY WILL MAKE UP FOR NO LETTER IN THE NEXT FEW MONTHS. I WILL BE TRAVELING OVERSEAS BETWEEN OCTOBER 1 AND NOVEMBER 15, 1986. FRANKLY, I DON'T EXPECT TO ANSWER MAIL OR PROCESS MEMBERSHIPS BEFORE DECEMBER.

ALSO, PLEASE NOTE THAT I HAVE SOLD MY INTEREST IN ANTENNA, INCORPORATED AND THE FACTORY IS MOVING TO NEW JERSEY. I AM NOT MOVING BUT ASK THAT MY FORMER ADDRESS OF 26301 RICHMOND ROAD, CLEVELAND, OH 44146, BE STRICKEN FROM YOUR RECORDS EFFECTIVE SEPTEMBER 15, 1986. THIS LETTERHEAD ADDRESS IS MY ONLY CORRECT ADDRESS AND TELEPHONE NUMBERS ARE EITHER 216-291-3328 OR 216-382-4070. THE 216-464-7075 NUMBER IS ALSO GONE.

ATTACHED YOU WILL FIND TWO INTERESTING ITEMS RESULTING FROM THE MEMPHIS SEMINAR. MARTIN GENTERKE SAT DOWN AND WROTE AN ARTICLE ON THE "NAMES" OF FRACTIONAL CURRENCY HISTORY AND A COPY IS ATTACHED. ALSO Wm. BRANDIMORE (MEMBER # 73) SENT ME THE MAX MEHL AUCTION CATALOG OF THE GRINNELL COLLECTION. SINCE IT IS SIMPLY TOO MANY PAGES FOR ME TO XEROX, I HAVE COPIED THE INTRO PAGE AND ALSO A PAGE FROM THE RAYMOND CATALOG THAT BILL ALSO SENT.

PLEASE NOTE THAT I HAVE NOW LOST MY SOURCE OF FREE XEROXING!! ANY VOLUNTEERS TO SUPPLY THIS PRIZED SERVICE??????

WE HAVE NOW ISSUED MEMBERSHIP #87 AND THANKS ARE DUE TO TERRY COX, THE WILSONS, TOM DENLY AND THE ARTICLES IN THE HOBBY MAGAZINES. OUR NEW MEMBERS ARE:

- #83 TED TARGOSZ, 11687 VIRGIL, REDFORD, MI 48239
- #84 JOHN WORSENA, 30 MONROE ST #A2, NYC, NY 10002
- #85 GERRY DARR, 10936 CUMBERLAND DR., SUN CITY, AZ 85351
- #86 RANDY HANIE, PO BOX 52129, LAFAYETTE, LA 70505
- #87 KENNETH KELLER, 9090 KINSMAN-FYMATUNING RD., KINSMAN, OH 44428

THE ALBERT A. GRINNELL COLLECTION  
MAIL AUCTION By MAX MEHL - JUNE 15, 1943  
PRICES REALIZED IN PARENTHESES

UNITED STATES FRACTIONAL CURRENCY

History of the Origin of This Interesting Issue

From "United States Paper Money" by George H. Blake

The origin of Fractional Currency is somewhat peculiar and not generally known. General F. E. Spinner, who was for a long time the Treasurer of the United States, was undoubtedly the inventor of the first issue of fractional currency known as "Postal Currency."

The conditions which led up to the issue of this kind of paper money by the United States are described by Mr. Thomas Cunningham, as follows:

"Upon the breaking out of the war of the Rebellion, all of the gold, silver and copper money in circulation in the United States disappeared as if by magic, to the extent of many millions in comparatively a few days.

"The cause of this disappearance was due to the desire of the timid to save something of actual value from the threatened wreck of the Union, and on the part of the avaricious to hoard up that which was sure to have a large premium in the future.

"The notes of the State Banks then in circulation prevented any serious inconvenience, as regarded amounts from \$1.00 upward; but as the silver and copper coins struck by the Government were the only fractional currency in use the inconvenience caused by its sudden disappearance can hardly be imagined at the present time. An illustration of the condition of affairs may be cited in the case of a house in New York which had so many copper cents stored in one of its rooms that the floor collapsed.

"A relief from this condition was needed promptly, and the first came from individual enterprise. Merchants issued promissory notes on small sizes of paper for amounts varying from 1 cent up and redeemable in goods at their place of business.

"Metal tokens in brass, copper and various alloys were also issued by merchants and manufacturers, in the form of advertisements, or bearing patriotic and other mottoes, and these readily passed for cents.

"Street car tickets, mill tickets, and anything having an apparent value, was pressed into service for making change.

"The Postage Stamp, very naturally, quickly claimed recognition as a circulating medium, but the adhesive back was a serious impediment. The New York Central Railroad utilized postage stamps by enclosing various amounts in small envelopes, which were issued as change. Stamps were also mounted in small brass circles, with mica over the face and advertisements stamped on the back.

"To General F. E. Spinner, then Treasurer of the United States, is due the credit of first pasting upon slips of paper, in definite amounts, the United States Postage Stamps in the semblance of money.

"The attention of the Post Office Department having been called to this arrangement of stamps, they readily agreed to redeem them with new stamps when worn or mutilated.

"The convenience and definite value of the pasted stamps, as arranged by General Spinner, were so readily apparent that the matter was at once taken up by Congress, the regular issue of postal currency was authorized. This 'Postal Currency' had the semblance of postage stamps printed on it, on the same plan as General Spinner's original arrangement. At the time of authorizing the Postal Currency Congress also prohibited the issuing of fractional currency and tokens by individuals. The Postal Currency was soon succeeded by the 'Fractional Currency,' which remained in use until the issue of silver again became a possibility.

"No similar event has occurred in the history of paper money to that which was marked by the beginning and end of Fractional Currency, and, though of comparatively recent date, but little of it remains in existence."

## UNITED STATES FRACTIONAL CURRENCY

## Third Issue of Fractional Currency—Sheet Composition

CURRENCY

UE

23, 1867

13, 1863. All of the numbers oval frame in centre of face of on back. The varieties are diverse, on the back, and the kinds value imprint.

Only

.50  
.75  
2.00

1 Back

.50  
1.00  
.75  
1.50  
1.50  
1.50  
2.25  
2.25  
3.00  
2.00  
3.50  
3.50  
5.00

Back

5.00  
5.00  
6.00  
6.00  
7.50  
7.50  
7.50  
7.50

his and the third  
They are all rare.

SUE

at 16, 1869

1.50  
.75  
.50  
2.00  
.50  
1.50  
1.00  
2.00

mental frame

THIRD ISSUE 3¢ 25 NOTES				
	a			
	a			
	a			
	a			
THIRD ISSUE 5¢ CLARK 20 NOTES				
	a			
	a			
	a			
	a			
THIRD ISSUE 10¢ WASHINGTON 16 NOTES	I			
	I			
	I			
	I			
	I			
THIRD ISSUE 25¢ FESS 12 NOTES	a			
	a			
	a			
	a			
	a			
THIRD ISSUE 50¢ JUSTICE OR SPINNER 12 NOTES	Ia	a	a	
	I			
	I			
	I			
	I			

Reproduced by Courtesy of Mr. F. C. C. Boyd.

Fractional Currency Collections,  
Collectors and Auctions

by

Martin Gengerke

The roundtable discussion of Fractional Currency sponsored by the Fractional Currency Collectors Board in Memphis this June brought to the forefront a problem faced by many new collectors in all series - the lack of a historical perspective from which to gage rarity, desirability and demand. While many reference works can be found listing varieties and prices, nothing has been written regarding past collections or collectors. In the field of Fractional Currency several factors have served to exacerbate the situation and relegate the field to the esoteric domain usually reserved for rarer non-circulating, non-federal subjects.

Prior to the 1890's Fractional still circulated to some extent, and few collectors paid much attention to the field. There were no reference works of any value to check, and consequently auction catalogers of the period rarely knew what information was important enough to list. With poor and often inaccurate descriptions, few auctions prior to 1890 are more than idle curiosities to the Fractional Currency collector. An exception might be some of the Harlan P. Smith sales and price lists, which contain the first public appearances of both the 50¢ "Perf. 14" note (Fr. 1310a) and the "O-63" 10¢ (Fr. 1248) - two varieties considered by knowledgeable specialists to be of dubious origin.

The first important Fractional offering with generally sufficient descriptions was Edouard Frossard's 1893 Fixed Price List of Spencer M. Clark's collection of Essays and Experimental Pieces. The Clark list remains to this day one of the finest sales of experimentals, with many pieces never re-offered since. This list is rare and very hard to find today.

The Chapman brothers of Philadelphia were the first to consistently catalog Fractional Currency in a professional manner that let the bidder know what he might expect. It is well that they did, for in 1903 and 1904 they held two Fractional sales that have never been surpassed, and might very well never be equaled again. Luckily, neither catalog is particularly difficult to locate. Other Chapman sales of Fractional included the Earle, Pick, and Steigerwalt collections.

On June 3, 1903, the Chapmans sold the collection of Monroe J. Friedman. A remarkably complete collection, with errors and experimentals, it is even more famous for its offering of uncut

sheets, including all the unique 3rd and 4th issue sheets. The February 15, 1904 Chapman sale of the Charles Wilcox Fractional collection still holds first place for its amazing variety of experimental pieces. These two sales should be remembered, as they were the genesis of what has become the finest Fractional collection ever assembled.

The next half century had few important sales of Fractional, and none of any great depth. The few noteworthy sales were important only because of a few rare or important items, with none being anywhere near complete, even in the regular issue set.

Albert A. Grinnell, owner of the finest Large Size currency collection ever formed, had a rather mediocre Fractional collection, sold by B. Max Mehl in 1943. Stack's sold Dr. Limpert's important collection in 1955, although the collection had been decimated by private sales prior to auction, and lacked many of the fascinating pieces illustrated in his book.

While notable for the lack of availability of material, this period did produce many standard reference works on the subject. In 1924, F.C.C. Boyd published Dr. Daniel Webster Valentine's pioneering work on Fractional; 1935 saw Schultz's Checking List of Fractional Currency; the 1940's produced Dr. Alvin Limpert's two books. Until Milton Friedberg's Encyclopedia decades later, these three references were the only ones available to anyone wishing to go beyond the standard regular issue and specimen areas. The Robert Friedberg book and Rothert's book both listed only the standard regular issues and specimens, although Rothert did illustrate many of Crofoot's fascinating essays and rarities.

The most important sale in 50 years was held by Abe Kosoff in his 1958 ANA sale. Kosoff's disgraceful presentation of Maurice M. Burgett's collection in a cramped, no-photo manner led to unreasonably low prices, even for the period. Kosoff partially redeemed himself by publishing a profusely illustrated special edition of the Fractional Currency section after the sale - a must for any Fractional collector. The collection, virtually intact, went to Kosoff himself, acting as agent for the Newport Balboa Savings and Loan collection. Years later Kosoff bought back the collection, selling off bits and pieces slowly until selling the remainder in Bowers & Ruddy's "Winthrop" sale, 9/12/75. Appropriately, the prices in the Winthrop sale were also rather low for the time.

Bowers & Ruddy/Merena have auctioned more important Fractional in recent years than any other firm, starting with the sale of Matt Rothert's collection, 11/16/73. "Hyped" at the time as the finest and most complete collection of Fractional ever formed, it was far from being either. To this day it ranks as one of the most overgraded and erratically graded sales, lacked a half dozen important regular issue notes and many specimens, and had relatively few essays or experimental pieces. Ignoring Dave's advertising superlatives, it still, however, ranks as one of the more important Fractional sales. Perhaps the overgrading of the Rothert

material contributed to the low prices of the Winthrop sale - ironically one of the more consistently and fairly graded sales of recent years. The third important Fractional sale by Bowers was the Robert A. Russell collection, 6/20/77. Numerous other Bowers sales have had individual important rarities.

One firm running Bowers a close second is NASCA, with a steady stream of important Fractional highlighted by the 1981 sale of the Rockholt collection (with the Fraser sale below, one of the two most important offerings of essays and experimental pieces since 1904). As with the Bowers firms, many other NASCA sales have had rare and important individual items.

Other important Fractional sales of recent years include the Lester Merkin sale of the Isidore Herman collection in 1974, the Robert A. Siegel sale of the Josiah K. Lilly collection in 1967 (very important material), the Superior sale of the John R. Fraser collection in 1982 (one of the two finest offerings of essays and experimental pieces since 1904), and the 1960 ANA sale by Whiteneck & Conn (consignor unknown). The Herman sale, with relatively few rarities, hit a market starved for material. With Lester's reputation and conservative grading, it was standing room only, with bids occasionally being relayed in from the hall. In the ensuing bidding frenzy many items set price records that weren't broken for years. Merkin also had a memorable fixed price sale of Fractional in 1963. Being auctioned by a philatelic firm, many bidders showed up at the Lilly sale hoping to be the only ones there. Prices were stronger than ever as all the specialists competed. At the Fraser sale, one dealer's obstinate insistence on buying everything himself, rather than sharing with the collectors there, led to obscenely high prices. The dealer, still holding many of his purchases years later, eventually "dumped" for an average of 50¢ on the dollar, and the market for experimentals stabilized considerably.

Overall, if one were looking for "role models," the Burgett, Lilly, and Rockholt sales would have to be considered the most classic, well-rounded collections to be sold publicly in many decades. All had rarities in the regular issues, some high grade, some errors and some essays and experimentals - something to draw all types of collectors.

Auctions are certainly important, but they only tell part of the story. What of the collectors themselves? The names of many important collectors can be found listed above, but many other collections were either sold privately (some posthumously), donated to museums, or are still active.

Reference was made above to factors making Fractional less well known than it should be. One of those factors has to be the legendary F.C.C. Boyd, who over a half century of collecting in many diverse areas assembled the finest collections of several fields, including Fractional. The Friedman and Wilcox collections both were sold almost in their entirety to Judson Brenner (past President of

the ANA), with the Brenner collection then forming the basis of the Boyd collection. Over the next 50 years, Boyd privately gobbled up almost every Fractional collection of any importance, leaving very few to come on the market. Often buying entire collections to get just a few pieces, Boyd acquired the Brenner, Drowne, Valentine, Brand, Earle, Granberg, Blake, and Proskey collections, to name just a few. It is not known if Boyd got all of the Spencer M. Clark collection - it now has all the notes specified in the 1893 Frossard list except the third issue 50¢ experimentals. Boyd was a bit careless, paying little attention to condition when disposing of duplicates, and occasionally selling unique items. However, the collection remains substantially intact, and by far the finest ever formed.

Few major collections escaped Boyd's grasp - other than those mentioned above, the Joers and Crofoot collections are notable. F.T. Joers of Ohio formed a sizable collection which was disposed of privately in the late 1970's, many years after his death. Herman K. Crofoot, of Moravia, New York, is more well known, primarily due to the illustrations in Matt Rothert's book. Crofoot's widow donated his collection, including Spinner's original paste-up essays for the first issue, to the Smithsonian early in the 1960's - a collection which ranks in the top 5 existing collections today. The famous dealer Wayte Raymond also accumulated a massive amount of Fractional (more of a dealer stock than a collection), consisting of many rarities and sheets. Mrs. Raymond later disposed of the hoard over many years, much of it through Lester Merkin. B.F. Collins (formerly of the Treasury Department) and Jack O. King jointly had a fine collection of fractional; that held by King eventually was purchased by Milt Friedberg - once again through Lester Merkin.

Which brings us to a final question - where do various collections rank today? The first 4 places are easy to define; after that it becomes somewhat cloudy, as important pieces from several major sales have gone to anonymous buyers in recent years.

First place is, of course, the Boyd-Ford collection documented above. The collection has essentially stagnated since Boyd's death in 1958. Being interested in so many fields, Ford has added little to the collection since acquiring it; also, as advanced as the collection is, little needed material has come on the market recently. Ford, unlike Boyd, has sold only duplicates, and then only the lower grades. Second place overall goes to Milton Friedberg, a Fractional collector since the early 1960's and author of what is now the standard reference work on the subject. Third place goes to Martin Gengerke. While squeaking into first place in the regular-issue area with the only complete set ever formed, (Ford and Friedberg each need one major note for completion), the Gengerke collection ranks a distant third to Boyd/Ford and Friedberg in errors, specimens, experimentals and essays. Fourth place belongs to the Crofoot-Smithsonian collection. While lacking fewer than a half dozen regular-issue notes, and being particularly strong in essays and experimental pieces, the collection is marred by Crofoot's unfortunate practice of pasting his notes on acidic loose-leaf pages.

Many important items, including the Spinner essays, are badly damaged and still deteriorating, as not even the most fundamental de-acidification has been done.

The ranking is difficult below fourth place, with collections in Florida, Texas, Michigan, and New York in the running (possibly in that order), as well as one or two anonymous collections. Others, including one or two well publicized ones, probably don't make the top ten. Few museums other than the Smithsonian have anything that could be called a "collection" in the Fractional area.

Beyond the above ranking, there are numerous active collections which contain rare and important individual items, very high overall grade, or interesting specialty collections within the larger Fractional Currency umbrella. While not in the top five today, they would nevertheless be long remembered should they go on the auction block. Possibly by perusing the important past sales listed above, new collectors can focus their interests a little better or avoid the all too frequent trap of paying too much for what most other collectors consider to be of little importance. Perhaps too some new collector may be inspired by past efforts to challenge the lead held by the Boyd collection.